



# Agile Performance Management

Helping RTO's strike the balance  
between Compliance and Performance





## Ask not what you can do for compliance, but what compliance can do for you!

Registered Training Organisations (RTOs) operate in a highly competitive but also highly regulated market. With laws and standards governing all aspects of their business from sales and marketing through to designing and delivering training, many providers say they find it difficult to balance time consuming and sometimes stressful compliance obligations with running a successful business.

But the good news is that compliance and performance don't necessarily have to be competing priorities.

### Making allies out of compliance and performance

Whilst compliance is often viewed in terms of passing audits and avoiding penalties from external regulators, in practice it boils down to staff having the skills, knowledge and abilities to follow sound organisational plans, policies and procedures. And when you think about it, so does sustainable business performance.

Though at times compliance might seem like a lot of red tape, most compliance requirements - such as ensuring that the customer's needs and expectations are met, that staff are qualified and trained to do their jobs, and that an RTO's reputation is not at risk due to unethical or illegal practices - are actually about running a good business.



## People do compliance, not policies and procedures

It is not enough to develop detailed compliance policies and procedures and expect staff to read and follow them. Chances are they won't without guidance, training and reinforcement. People do compliance, not policies and procedures.

And waiting for a compliance audit to check whether staff are doing their jobs properly is like a soccer coach teaching their players the rules and helping them master ball skills once the season's over. It just doesn't make sense.

Compliance requires a more proactive and integrated approach. It needs an environment in which staff are given guidance and direction and helped to understand what is required of them up front. A culture which values professional development and ensures staff are competent and motivated to fulfil their responsibilities. Where employee behaviour and performance unlocks the value that compliance has to offer.

## Agile Performance Management

Agile performance management is a future focused conversation about a person's performance and development. It is the perfect tool to build a more proactive culture in which performance and compliance are integrated rather than existing in isolation.

Unlike traditional methods where managers deliver a performance review once a year, agile performance management sees employees participate in a series of shorter, but more regular formal and informal reflection, goal setting, coaching and feedback discussions that steer and support performance over time.

The key elements of agile performance management include:

- Reflection and assessment
- Flexible goal setting
- Professional development plans
- Frequent feedback and regular check-ins
- Annual performance reviews

## Agile Performance Management Cycle



### Reflection and assessment

Agile performance management begins with **self-reflection** under the guidance of a supervisor, coach or mentor to establish the person's current level of competency.

The reflection process starts with an accurate understanding about what is expected of a person in their job.

### Setting performance expectations

To perform well, employees need to understand:

- why a job exists;
- where it fits into the organisation;
- how it contributes to the overall objectives of the organisation (including compliance);
- what is expected of the person's performance (including behaviours, compliance with policy and process, and results);
- what competencies are required; and
- any changes that will impact their work and how this will affect performance

## Reflecting on past performance

Reflection involves helping staff take a step back to look at their own performance.

- What results have I produced?
- What impact has my work had on the people I serve?
- How have I acted with students, colleagues, and supervisors?
- How have I demonstrated our organisation's values?
- What were my audit results? Have I followed process and procedures?
- What has been my biggest challenges?
- How will I adapt to any changes ahead?

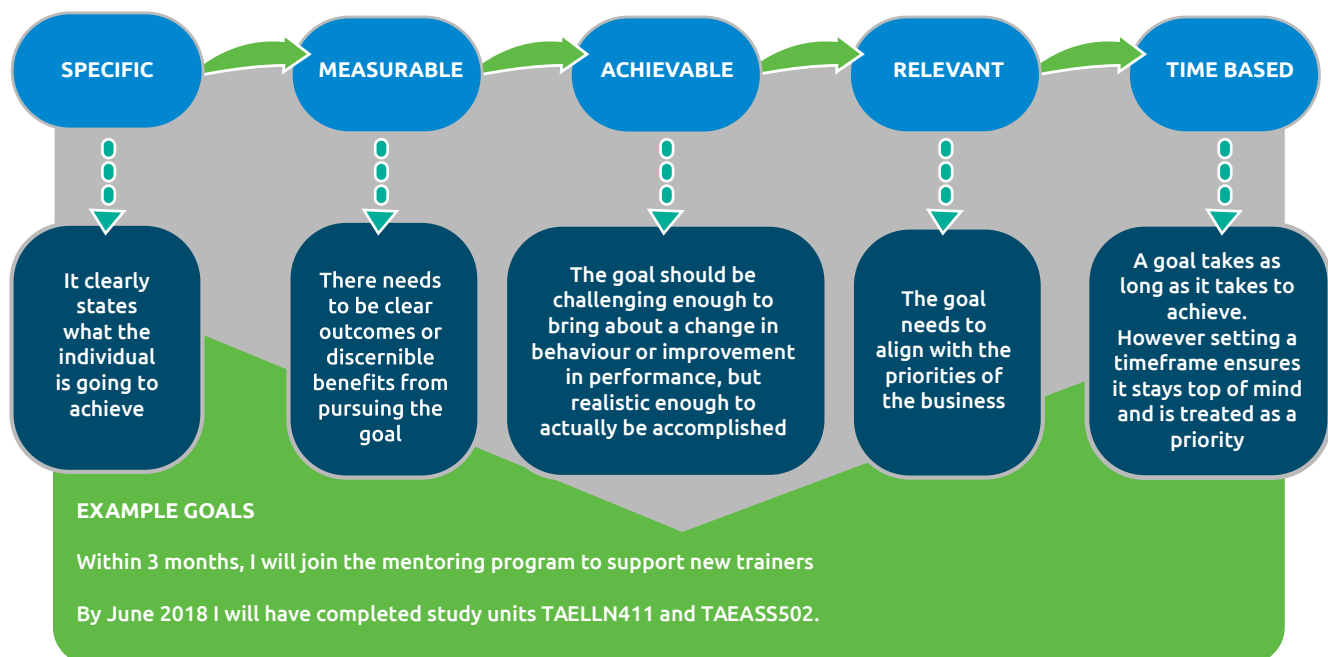
## Flexible goal setting

Armed with a more realistic picture of their performance, and what they want to work on, staff are then in a strong position to focus on goal setting.

### Make sure the goals are SMART

The term SMART goals was first coined by George T. Doran in 1981 in an issue of *Management Review*. SMART goals have been the anchor point for most performance management systems and are still very relevant today.

SMART Goals are :



## Changing goals mid-performance cycle

It sounds logical to set long-term goals and then work towards them. Planning over the long term isn't a bad thing; but a lot can happen during that time.

You may discover that a goal that once seemed desirable may end up seeming like a bad idea (for a whole barrel of reasons) or potentially becoming a waste of time in the wake of a further change.

To accomplish truly meaningful goals, all participants must be willing to question assumptions and re-evaluate as necessary. Is this a realistic goal for the individual? Is this still a priority? Are there more pressing or productive ways the person could be investing in their development?

Catching up with employees more regularly becomes critical to ensuring that the right focus is maintained, particularly as their job requirements change.

## Professional development plan

Agile performance management is a development focused tool. It ensures managers and staff are identifying the competencies required for a person to do their job well and building on and enhancing current skills, knowledge and abilities in line with compliance and business requirements.

From a compliance perspective, a professional development plan is particularly critical for Trainers and Assessors. The national Standards for Registered Training Organisations (RTOs) 2015 specifies that training and assessment can only be delivered by individuals that have current industry and vocational skills in their particular area of expertise. This sounds straightforward enough, but can be challenging given the pace of change in industry and technology.

The key to making it happen is to have a systematic process in place to identify the needs and select the right learning solution.

### Formal accreditation

After reflecting on the competencies required to do their roles, and taking into consideration their past performance and experience, some staff may set themselves goals to undertake further accredited training or study relevant to their industry area. For others, the pathways may be different.



### Multiple modes of learning and development

Professional development activities are most successful when staff have the opportunity to make sense of new information using a combination of interactive approaches. This is a bit like the 70:20:10 model for learning and development first founded in the 1980's. It maintains that individuals obtain 70 percent of their knowledge from job-related experiences, 20 percent from interactions with others, and 10 percent from formal educational events.

There are a number of cost effective, flexible and higher impact alternatives to traditional training workshops and conferences that RTO's can employ:

- Research projects - a staff member is given a task requiring them to independently seek out knowledge and then apply it back on the job;
- Peer discussions and collaboration - groups of staff are brought together in a facilitated discussion to talk over issues and develop strategies for dealing with them. For example, getting trainers and assessors involved in validation and moderation activities provides a powerful opportunity to learn from more experienced peers about meeting and maintaining training quality standards.
- Shadowing - individuals are paired with a subject matter expert that models how new knowledge can be applied effectively on the job

- Coaching - occurs when a supervisor or experienced colleague provides guidance and on-the-job performance feedback
- Mentoring - a carefully selected, more experienced person provides wisdom and advice to help an employee achieve their goals. Mentoring of new entrants by older workers is a key opportunity to upskill staff.
- Just-in time - web based learning that can be accessed on demand when the learner needs it.

Other options to consider for those trainers and assessors looking to update vocational and industry skills include:

- volunteering or working part-time in the industry area;
- belonging to industry associations;
- engaging with industry (for example, through discussions with employers or attending industry networking events);
- reading industry journals and subscriptions;
- keeping up to date with changes to legislation.



## Frequent feedback and regular check-ins

Regular feedback is the linchpin of successful performance management. It is also a key way to find and fix compliance issues before they become a breach.

Feedback doesn't always have to involve a scheduled sit-down meeting. Some of the best feedback occurs spontaneously - in the moment, on the job. Where and how it happens doesn't necessarily matter (as long it is done respectfully and not in the earshot of students or team members). What is important is that the feedback is timely and meaningful.

Providing feedback is enriching but can also be universally challenging when there are tough conversations to be had. A firm foundation of trust, and the creation of a culture where regular feedback (both good and bad) is the norm, can make all the difference in whether a person takes feedback on board.

### Supervisor feedback

Frequent check-ins and informal chats are helpful for building trust. Understandably, staff are more likely to accept criticism from a leader that has followed their progress and given them lots of positive comments in the past, so supervisors need to take advantage of as many opportunities to talk about performance in as balanced a way as possible.



### Other sources of feedback

Whilst most staff want feedback from their Supervisor, it can be difficult for leaders to find the time to get around to staff to observe performance and provide feedback as regularly as they would like. It is also unlikely that a Supervisor can be across every aspect of their staff member's performance.

Empowering staff to seek feedback from other sources not only increases feedback frequency but also provides them with a more rounded view of their performance.

#### Peer feedback

Co-workers performing similar jobs can sometimes have a better understanding of their peer's performance than supervisors and upper management. In some situations their own work may also be directly impacted by it - particular where compliance is concerned. This can provide a valuable perspective for the feedback process

#### Student feedback

This is probably one of the more polarising sources of feedback - particularly for trainers and assessors. Many are still hesitant to introduce student feedback as they believe it may shift the balance of power in the relationship. Others feel it has given them the most direct and valuable insights into their competencies they have ever received.

Student feedback can also bring potential compliance issues to the surface. For instance, feedback about the enrolment process might highlight that a student felt they were not given sufficient information by a staff member to make an informed training choice. It might also identify agents that are employing sales tactics that make students feel pressured to sign up to courses they really can't afford.

#### Subordinate feedback

Collecting feedback from subordinates enables leaders to really understand how their reports see them.

### Annual performance review

After 12 months of formal and informal feedback and coaching discussions, the annual performance review becomes an opportunity to look back at what has been achieved.

And instead of just filing away the paperwork at the end of the year, the outcomes and learnings form the basis for discussion and reflection needed to set new goals in the next performance cycle.

### The role of managers

Managers also need to be coaches. They need to move beyond the action-oriented traditional management functions of planning, organising, staffing, coordinating and controlling, and master the subtle art of focusing, challenging, influencing, encouraging, and developing staff.

## Providing a safe environment

One of the reasons for breaking performance management down into bite-sized chunks rather than just a once a year, formal discussion, is to make it less threatening. Staff need to feel safe that if they open up about their struggles or admit to failings that they aren't going to be punished for it or marked as an underperformer on their annual performance review.

When employees trust their manager and sense they have a vision for them, they are more receptive to feedback. They take on board criticisms and advice knowing their manager has their best interests at heart. They also know they have someone to turn to if they need help or have problems.

## Streamlining the process

There are many reasons why performance discussions don't get done:

- People are too busy
- Lack of preparation
- The process is unnecessarily cumbersome and keeps being put off

A lot of these issues can be avoided with better planning and execution.

## Scheduling

The performance management cycle can begin and end at any time. Following a particular timetable is OK so long as you don't forget about new team members.

Robust monitoring and tracking processes can help to ensure no-one is missed.

## Using technology

Good performance management software can really make the process easy. A great system will guide you through the process of reflecting on performance and help structure SMART goals for development.

A system that is easy to use and mobile compatible will also ensure that records of feedback and development activities such as training and coaching are always kept in one place for easy access during compliance audits.

## Ending the war between compliance and performance

Too often, compliance ends up being the domain of one poor Compliance Officer who hasn't a hope of achieving it on their own. RTOs that use agile performance management to develop an organisation wide commitment to compliance will find it less of a burden. They may also find that as the performance management process unlocks the benefits that compliance has to offer, they're more successful as a result.

Agile performance management ticks all of the right boxes. It ensures that the performance of every staff member is focused on the right priorities, is compliant with policies and procedures, and aligned with strategy. It's flexible enough to adapt to change, yet systematic enough to ensure employee goals and objectives are documented, tracked and achieved every time.

Agile performance management is the perfect solution for RTOs to finally end the tug of war battle between compliance and performance once and for all.

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**contact us today**

**[service@cognology.com.au](mailto:service@cognology.com.au)**

Australia: 1800 062 781 • International: 61 3 9001 0848

[www.cognology.com.au](http://www.cognology.com.au)

